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**INCLUSIVE MULTI ACADEMY TRUST**

(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 11
<b>Governance statement</b>	12 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Statement of Trustees' responsibilities</b>	16
<b>Independent auditor's report on the financial statements</b>	17 - 19
<b>Independent reporting accountant's report on regularity</b>	20 - 21
<b>Statement of financial activities incorporating income and expenditure account</b>	22
<b>Balance sheet</b>	23 - 24
<b>Statement of cash flows</b>	25
<b>Notes to the financial statements</b>	26 - 54

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Rebecca Blackstaffe (resigned 10 December 2018) Carly Holliman Jonathan Hartley Jill Steward Nick Martin (appointed 10 December 2018)
<b>Trustees</b>	Jessie Bruce (resigned 14 May 2019) Richard Jones (resigned 31 August 2019) Elizabeth Leeman, Chair Becky Blackstaffe (resigned 21 March 2019) Andrew Chappell, Vice Chair (appointed) James Roach, Accounting Officer Daniel Finill (appointed) Elizabeth Redman (appointed 4 July 2019) Efuru Obua (appointed 4 July 2019) Vijay Sharma (appointed 4 July 2019) Alia Aziz (appointed 31 January 2019, resigned 8 October 2019)
<b>Company registered number</b>	10411381
<b>Company name</b>	Inclusive Multi Academy Trust
<b>Principal and registered office</b>	Beech House 95a Gammons Lane Watford Hertfordshire WD24 5TY
<b>Chief executive officer</b>	James Roach
<b>Senior Leadership Team</b>	James Roach, Chief Executive Officer Sharon Carlyon, Chief Operating Officer Elizabeth Somerset-Butler, SENCO Sebastian Gray, Headteacher - Laurance Haines School Nuno Regufe, Deputy Headteacher - Cherry Tree School Michelle Connell, Deputy Headteacher - Beechfield Primary School Laura Carmen, Assistant Headteacher - Beechfield School Tanya Mortlock, Assistant Headteacher - Beechfield Primary School Jessie Bruce, Headteacher - Cherry Tree School Gillian Jackson, Headteacher - Beechfield Primary School Gemma Banks, Deputy Headteacher - Laurance Haines School
<b>Independent auditor</b>	Hillier Hopkins LLP Chartered Accountants Radius House 51 Clarendon Road Watford Herts WD17 1HP

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust consists of three Primary Academies – Beechfield School, Cherry Tree School and Laurance Haines School with a pupil capacity of 1,410 pupils. Two of the schools offer 30 hours Early Years provision and the third school has 15-hour Early Years provision. Laurance Haines School was the initial Primary Academy in the Trust. Following a close association with Laurance Haines, Cherry Tree School, joined the Trust in February 2018 followed by Beechfield School in March 2018.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of Inclusive Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as the Inclusive Multi Academy Trust (IMAT).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees by which virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Inclusive Multi Academy Trust.

**d. Method of recruitment and appointment or election of Trustees**

The Inclusive Multi Academy Trust shall have a minimum of three Trustees and shall not be subject to any maximum as detailed in our Articles of Association. Trustees are appointed by the Members. Trustees shall include the Chief Executive Officer and Trustees are appointed to ensure that there is a breadth of skills and knowledge necessary to support and advance the Trust in all areas for example Finance, Human Resources, Health and Safety and School Improvement. Initially Trustees were drawn from the Laurance Haines School Governing Body. Over time Members have sought to recruit from the wider community. Trustees complete an annual skills audit to ensure a broad range of skills are represented on the board. An ongoing priority for the Trust Members is to recruit new Trustees to strengthen the capacity of the board. Safer recruitment processes are followed for all appointments.

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**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

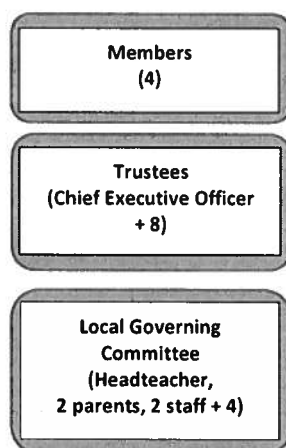
It is expected that Trustees undertake training as appropriate to their role on the Trust Board. The Trustees are encouraged as part of their induction to visit the Trust schools to meet their communities with the view to ensuring that all Trustees have a comprehensive understanding of the school communities, the Trust's values and philosophy and day to day operations. In addition to the Trust's own induction programme the Trust Board has a contract with Herts for Learning Limited, membership of the National Governance Association as well as the Confederation of School Trusts to provide guidance, documentation and training to support the induction and development of Trustees. A log is maintained by the Clerk to Trustees of all Trustee training. This log is reviewed on a regular basis by Trustees. External training needs are identified via the annual skills audit.

**f. Organisational structure**

The Members of the Inclusive Multi Academy Trust have ultimate responsibility for the Trust achieving its charitable objectives. They sign off the Articles of Association and have power to appoint and remove Trustees ensuring an appropriate balance of skills and effectiveness.

The Trustees of the Inclusive Multi Academy Trust constitute the Trust Board, which determines the general policy across the Trust and establish a plan for growth and development.

The structure is illustrated below:



Whilst the number of Trustees fulfills the requirements of the Articles of Association the Trust is seeking an additional two trustees to strengthen the skillset of the Board and is recruiting through the local community and the Academy Ambassadors website.

Currently, the Local Governing Committee structure and membership varies from school to school. The Trust is working towards the best practice structure detailed above.

The Trustees and Trust Executive fulfill a strategic role through the setting of policy, the Trust plan and budget including capital expenditure and Senior leadership Appointments across the Trust. The day to day running of each school within the Trust is delegated to the Local Governing Committee and in turn the Headteacher who is supported by the Senior Leadership Team. Each Local Governing Committee reviews the annual improvement plan, monitors performance and oversees parent and community liaison.

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**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

Employees working at strategic level are paid on the same terms and conditions of employment as teaching and support staff, dependent on their role. The remuneration of the Trust Executive is reviewed and agreed by the Trust Board annually and is linked to performance management targets and performance review.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	-

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
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Total cost of facility time	-
Total pay bill	4,999,040
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**i. Related parties and other connected charities and organisations**

There are currently no related parties or other connected Charities and Organisations.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**j. Beliefs and promises**

'Inspiring and nurturing our children and their community to be the very best that they can be'.

We believe that:

- happy children learn
- happy staff thrive
- happy parents build a community

We promise that children in the Inclusive Multi Academy Trust will:

- feel welcome, valued and safe
- develop outstanding academic and social skills
- have fun whilst fostering an intrinsic love of learning
- respect and celebrate everyone's similarities and differences
- build lasting, healthy relationships and support networks
- engage with and contribute substantially to their local community

**Objectives and activities**

**a. Objectives, strategies and activities**

The Inclusive Multi Academy Trust is child centered, continually working to meet the needs of all our pupils regardless of background or ability. We are committed to ensure that our children experience fun, interesting and exciting learning, focused around a variety of practical activities with tangible outcomes. These experiences will prepare children for life in a rapidly developing world. The broad and balanced curriculum empowers the children to directly influence the direction of their learning, where experiences both inside and outside of the classroom create a buzz and an excitement around it. Our highly trained and supported teachers respond to the interests and ideas of the children whilst guiding them to ensure key skills from the wider areas of the curriculum are developed. We set highly aspirational targets and nurture our children to achieve these. The nurture of our children, parents and staff underpins all we do in the Trust. As a result, our schools are successful hubs for the wonderfully diverse community that we serve.

**b. Public benefit**

The Inclusive Multi Academy Trust is a charitable company whose purpose is to benefit the public through the pursuit of its stated aims – namely the advancement of education.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and in particular consider this duty when reviewing the Trust's beliefs, promises and plans for future activities.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The Trust uses a number of non-financial Key Performance Indicators to monitor performance. These include:

- Pupil absence data
- Staff recruitment and retention
- Early Years Foundation Stage, Key Stage 1 and Key Stage 2 assessment data
- Ofsted inspection judgments
- School Self-Assessment judgments

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**c. Pupil absence**

In 2018/19, the rate of overall absence (4.8%) was above the national average for schools with a similar level of deprivation (4.11%). This was an improvement on the absence rate for the previous year. To support the Trust commitment to the ongoing improvement in attendance Hertfordshire Attendance Team are contracted to support the reduction of these figures.

**d. Staff recruitment and retention**

Recruitment and retention is an ongoing challenge within the teaching profession, particularly within the South East and continues to be a priority throughout the Trust. Trust-wide initiatives have included running adverts across the year both for individual schools and Trust-wide, attending recruitment fairs and strengthening links with local agencies. During the year, the Trust trialed acting as a visa sponsor for overseas teachers but due to the challenges faced around time, costs and uncertainty of success have decided not to pursue this further. Further alternatives to the traditional recruitment methods are being considered.

The Trust is committed to balancing the work and home life of all Trust employees, for example through cross school collaboration, the sharing of best practice and planning a wellbeing weekend break into the school year. Staff development is critical to the Trust and as a result there are good career progression opportunities.

The Trust will continue to examine and develop recruitment initiatives to minimize the impact of the skills shortage particularly within the teaching profession.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**e. Assessment data**

Year 1 phonics	National	Beechfield	Cherry Tree	Laurance Haines
	2019	2019	2019	2019
Achieving the expected standard in phonics	81%	89%	84%	91%

KS1 attainment	National	Beechfield	Cherry Tree	Laurance Haines
	2019	2019	2019	2019
Reading % Achieving expected standard	75%	65%	71%	72%
Reading % Achieving a higher standard	25%	21%	27%	17%
Writing % Achieving expected standard	69%	56%	70%	69%
Writing % Achieving a higher standard	15%	9%	10%	10%
Maths % Achieving expected standard	76%	68%	66%	74%
Maths % Achieving a higher standard	22%	21%	19%	14%

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

KS2 attainment	National	Beechfield		Cherry Tree		Laurance Haines	
	2019	2018	2019	2018	2019	2018	2019
Reading % Achieving expected standard	73%	63%	69%	80%	76%	82%	69%
Reading % Achieving a higher standard	27%	25%	24%	25%	28%	26%	14%
Writing % Achieving expected standard	78%	78%	76%	74%	80%	91%	85%
Writing % Achieving a higher standard	20%	18%	22%	21%	5%	24%	5%
Maths % Achieving expected standard	79%	68%	76%	84%	81%	92%	91%
Maths % Achieving a higher standard	27%	17%	20%	23%	27%	29%	21%
RWM combined % Achieving expected standard	65%	47%	54%	67%	68%	82%	64%
RWM combined % Achieving a higher standard	11%	13%	9%	8%	2%	6%	5%

<ul style="list-style-type: none"> <li>• a score of 0 means pupils in this school, on average, do about as well as those with similar prior attainment nationally</li> <li>• a positive score means pupils in this school, on average, do better than those with similar prior attainment nationally</li> <li>• a negative score means pupils in this school, on average, do worse than those with similar prior attainment nationally</li> </ul>	National	Beechfield		Cherry Tree		Laurance Haines	
	2019	2018	2019	2018	2019	2018	2019
Reading average progress measure	0	1.6	4.5	-2.4	-0.1	1.9	-0.9
Writing average progress measure	0	3.9	3.5	-3.2	-0.5	3.3	0.1
Maths average progress measure	0	1.1	3.4	-3.2	0.7	3.8	1.7

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**f. Ofsted inspection judgements:**

As an academy the previous Ofsted judgement and priorities set for the predecessor school stand and form the starting point of the Ofsted inspection. The most recent Ofsted judgements and priorities are:

<b>Beechfield – 05/02/13</b>	<b>Cherry Tree School – 20/07/16</b>	<b>Laurance Haines – 11/11/14</b>
<b>Good</b>	<b>Good</b>	<b>Good</b>
<ul style="list-style-type: none"><li>• In the Early Years Foundation Stage and Key Stage 1, pupils do not make as much progress in reading, as they do writing and mathematics.</li><li>• The teaching of letters and sounds is not consistent.</li><li>• Leadership and management is not yet organised to meet the needs of a school with increasing pupil numbers.</li></ul>	<ul style="list-style-type: none"><li>• Increase the proportion of pupils making more than expected progress by improving the quality of writing further and setting clear targets for the most able disadvantaged pupils</li><li>• Identify very clearly the responsibilities of the newly deployed senior pastoral leader to improve attendance and intervene promptly when pupils experience challenges in their lives.</li></ul>	<ul style="list-style-type: none"><li>• Standards at the end of Key Stage 1 remain below average overall.</li><li>• Attainment in writing in Key Stage 1 and at the start the start of Key Stage 2 has not risen as quickly as other subjects.</li><li>• As yet, the school's new curriculum lacks the richness and variety to promote exceptional achievement and does not provide sufficient opportunity to consolidate and develop pupils' skills in writing.</li></ul>

**g. School self-assessment judgements:**

As part of the ongoing cycle of self-assessment, schools in the Trust work with a Hertfordshire Improvement Partner to validate judgments about the school.

<b>Beechfield – Summer 2019</b>	<b>Cherry Tree School – Summer 2019</b>	<b>Laurance Haines – Spring 2019</b>
<b>Good</b>	<b>Good</b>	<b>Good</b>

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**h. Performance highlights:**

**Beechfield**

- One of only 15 schools in Hertfordshire to achieve progress measures of 2+ in reading, writing and mathematics
- Exceeded the national standard in the phonics screening check
- Redeveloped the EYFS outdoor area
- Received €180,583 funding for Erasmus project - 'Cultural exchanges - Your world, my world, our world'
- Pupil collaboration to display an IMAT art exhibition at the Watford Museum

**Cherry Tree**

- Maintained a positive reading, writing, maths combined attainment score compared to the national standard
- Exceeded the national standard in the phonics screening check
- Awarded Woodland Trust Gold Award
- Awarded British Council International School Award
- Pupil collaboration to display an IMAT art exhibition at the Watford Museum

**Laurance Haines**

- Maintained a positive reading, writing, maths combined attainment score compared to the national standard
- Exceeded the national standard in the phonics screening check
- Awarded the Eco Schools Green Flag
- Received €196,880 funding for Erasmus project - 'The 5 ways to wellbeing - bringing a healthy balance to life'
- Pupil collaboration to display an IMAT art exhibition at the Watford Museum

**Financial review**

**a. Reserves policy**

The Board of Trustees reviews the Reserves Policy annually to ensure the stability of the Trust's operations. Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk. The Trustees have determined that the appropriate level of restricted reserves to be held for non-earmarked expenditure by the Trust should be a minimum of 5% of the Trust combined annual General Annual Grant at the end of a three-year budget forecast.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**b. Investment policy**

There are no material investments held by the Inclusive Multi Academy Trust.

The Academy will operate an interest-bearing current account with a bank approved by the Trust and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll payment runs) and sufficient contingency (cash buffer) for unexpected payments. Monies surplus to the working requirements can be invested in an account in the name of the Trust with the approved institutions authorised by the Trust. Investments for a fixed term should not normally exceed one year to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

The Academy holds shares in Herts For Learning Limited to the nominal value of £75.

**c. Principal risks and uncertainties**

The Trust maintains a Risk Register which includes the principal risks facing the trust and the controls in place to mitigate the effect. This is reviewed at least termly. Key financial risks identified are the uncertainties surrounding the implementation of the National Funding Formula by Government, the impact of Government funding not having increased in line with costs and the impact across the Trust of lower than PAN pupil numbers.

**Plans for future periods**

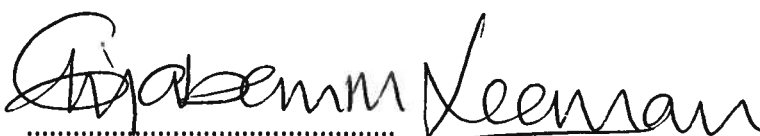
The Trust is committed to providing outstanding education and opportunities for all our pupils. The Headteacher and Senior Leaders are continuing to review and develop a broad, specific, cumulative and rigorous curriculum provision to ensure that our children experience fun, interesting and exciting learning, focused around a variety of practical activities with tangible outcomes. The Trust is continuing to build a strong scalable infrastructure that has the capacity to support the addition of a further two schools to our IMAT family.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 17 December 2019 and signed on its behalf by:

  
.....  
**Elizabeth Leeman**  
Chair of Trustees

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Inclusive Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Inclusive Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 9 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jessie Bruce	6	7
Richard Jones	7	9
Elizabeth Leeman, Chair	9	9
Becky Blackstaffe	1	5
Andrew Chappell, Vice Chair	9	9
James Roach, Accounting Officer	9	9
Daniel Finill	1	1
Elizabeth Redman	1	1
Efuru Obua	1	1
Vijay Sharma	1	1
Alia Aziz	3	5

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

During the year the Trust undertook a staffing review and restructure which implemented a leadership and staffing structure designed to provide value for money, address inconsistencies in pay and conditions within the Trust (arising from historic practices prior to Trust membership) and address financial constraints impacting the Trust.

The Trust has a rolling programme of monitoring and reviewing current contracts with suppliers. It has supported the schools joining the Trust where possible. Joint procurement, such as staff absence insurance and catering provision, brought a significant improvement in value for money. The central finance team continue to enhance the quality of service and consistency of financial practice across the Trust.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inclusive Multi Academy Trust for this accounting period and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for this accounting period. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. It includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The checks carried out in the current period included:

- review of administration, finance and management systems
- review of Governance
- review of income collection, debt management and funding reconciliations

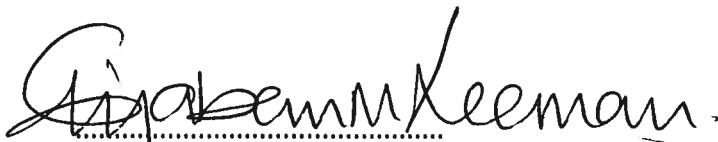
**Review of effectiveness**

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust Board and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 17 December 2019 and signed on their behalf by:

  
.....  
**Elizabeth Leeman**  
Chair of Trustees

  
.....  
**James Roach**  
Accounting Officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Inclusive Multi Academy Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



**James Roach**  
Chair of Trustees  
Date: 17 December 2019

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

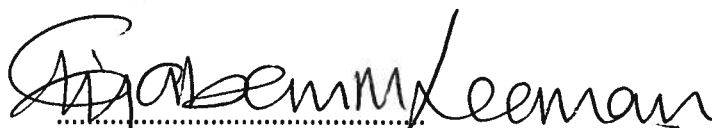
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 17 December 2019 and signed on its behalf by:



**Elizabeth Leeman**  
Chair of Trustees

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
INCLUSIVE MULTI ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Inclusive Multi Academy Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
INCLUSIVE MULTI ACADEMY TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
INCLUSIVE MULTI ACADEMY TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Alexander Bottom ACA (senior statutory auditor)**

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Herts

WD17 1HP

Date: 19th December 2019

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INCLUSIVE  
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 11 November 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inclusive Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Inclusive Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inclusive Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inclusive Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Inclusive Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Inclusive Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 October 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INCLUSIVE  
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Hillier Hopkins LLP**

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date:



**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Income from:</b>						
Donations and capital grants	3	13,282	-	77,399	90,681	11,913,134
Charitable activities	4	243,129	5,822,219	-	6,065,348	4,315,333
Other trading activities	5	48,148	-	-	48,148	66,851
Investments	6	676	-	-	676	277
<b>Total income</b>		<b>305,235</b>	<b>5,822,219</b>	<b>77,399</b>	<b>6,204,853</b>	<b>16,295,595</b>
<b>Expenditure on:</b>						
Charitable activities	8	227,033	6,017,828	233,062	6,477,923	4,673,113
<b>Total expenditure</b>		<b>227,033</b>	<b>6,017,828</b>	<b>233,062</b>	<b>6,477,923</b>	<b>4,673,113</b>
<b>Net income/(expenditure)</b>		<b>78,202</b>	<b>(195,609)</b>	<b>(155,663)</b>	<b>(273,070)</b>	<b>11,622,482</b>
Transfers between funds	20	(7,183)	(391)	7,574	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>71,019</b>	<b>(196,000)</b>	<b>(148,089)</b>	<b>(273,070)</b>	<b>11,622,482</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(958,000)	-	(958,000)	583,000
<b>Net movement in funds</b>		<b>71,019</b>	<b>(1,154,000)</b>	<b>(148,089)</b>	<b>(1,231,070)</b>	<b>12,205,482</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		632,096	(1,694,000)	17,936,889	16,874,985	4,669,503
Net movement in funds		71,019	(1,154,000)	(148,089)	(1,231,070)	12,205,482
<b>Total funds carried forward</b>		<b>703,115</b>	<b>(2,848,000)</b>	<b>17,788,800</b>	<b>15,643,915</b>	<b>16,874,985</b>

The Statement of financial activities includes all gains and losses recognised in the year.



**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10411381**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	17,701,739	17,708,769
Investments	16	75	75
		<u>17,701,814</u>	<u>17,708,844</u>
<b>Current assets</b>			
Debtors	17	187,590	361,034
Cash at bank and in hand		1,103,167	1,099,157
		<u>1,290,757</u>	<u>1,460,191</u>
Creditors: amounts falling due within one year	18	(500,656)	(600,050)
<b>Net current assets</b>		<u>790,101</u>	<u>860,141</u>
<b>Total assets less current liabilities</b>		<u>18,491,915</u>	<u>18,568,985</u>
<b>Net assets excluding pension liability</b>		<u>18,491,915</u>	<u>18,568,985</u>
Defined benefit pension scheme liability	25	(2,848,000)	(1,694,000)
<b>Total net assets</b>		<u><u>15,643,915</u></u>	<u><u>16,874,985</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	17,788,800	17,936,889
Restricted funds excluding pension asset	20	17,788,800	17,936,889
Pension reserve	20	(2,848,000)	(1,694,000)
<b>Total restricted funds</b>	20	14,940,800	16,242,889
<b>Unrestricted income funds</b>	20	703,115	632,096
<b>Total funds</b>		<u><u>15,643,915</u></u>	<u><u>16,874,985</u></u>

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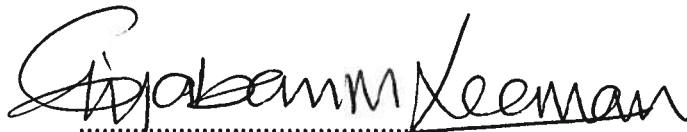
**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 22 to 54 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:



**Elizabeth Leeman**  
Chair of Trustees

The notes on pages 26 to 54 form part of these financial statements.

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**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	151,967	233,589
<b>Cash flows from investing activities</b>	23	(147,957)	620,481
Cash and cash equivalents at the beginning of the year		1,099,157	245,087
<b>Cash and cash equivalents at the end of the year</b>	24	<u>1,103,167</u>	<u>1,099,157</u>

The notes on pages 26 to 54 form part of these financial statements

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inclusive Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **Grants**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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**INCLUSIVE MULTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Furniture and equipment	-	15%
Computer equipment	-	33%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.



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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.13 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	13,282	-	-	13,282
Capital Grants	-	-	77,399	77,399
	<u>13,282</u>	<u>-</u>	<u>77,399</u>	<u>90,681</u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>Donations</b>				
Transfer from local authority on conversion	415,490	(1,189,000)	12,319,355	11,545,845
Donations	3,951	-	-	3,951
Capital Grants	-	-	363,338	363,338
	<u>419,441</u>	<u>(1,189,000)</u>	<u>12,682,693</u>	<u>11,913,134</u>

**4. Funding for the academy's educational activities**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	4,520,219	4,520,219
Pupil Premium	-	309,442	309,442
Rates Relief	-	23,001	23,001
Other ESFA income	-	401,331	401,331
	-	5,253,993	5,253,993
<b>Other government grants</b>			
Other government grants	-	535,765	535,765
	-	535,765	535,765
<b>Other income</b>			
Catering income	111,079	-	111,079
Trip income	72,760	-	72,760
Music income	5,732	-	5,732
Supply Teacher insurance income	-	32,461	32,461
Other income	53,558	-	53,558
<b>Total 2019</b>	<u>243,129</u>	<u>5,822,219</u>	<u>6,065,348</u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	3,297,945	3,297,945
Start up grants	-	-	-
Other ESFA income	-	211,458	211,458
Pupil Premium	-	241,927	241,927
Rates Relief	-	22,786	22,786
Insurance grant	-	-	-
	-	3,774,116	3,774,116
<b>Other government grants</b>			
Other government grants	-	340,585	340,585
	-	340,585	340,585
<b>Other income</b>			
Catering income	82,670	-	82,670
Trip income	67,037	-	67,037
Music income	3,719	-	3,719
Supply Teacher insurance income	-	15,751	15,751
Other income	31,455	-	31,455
	<u>184,881</u>	<u>4,130,452</u>	<u>4,315,333</u>

**5. Income from other trading activities**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Consultancy services	6,362	6,362	30,226
Lettings	41,786	41,786	36,625
<b>Total 2019</b>	<u>48,148</u>	<u>48,148</u>	<u>66,851</u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	676	676	277

**7. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational activities:				
Direct costs	4,191,890	-	691,747	4,883,637
Allocated support costs	866,150	412,581	315,555	1,594,286
	<u>5,058,040</u>	<u>412,581</u>	<u>1,007,302</u>	<u>6,477,923</u>

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Educational activities:				
Direct costs	2,943,299	-	487,344	3,430,643
Allocated support costs	646,015	318,006	278,449	1,242,470

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Educational activities	227,033	6,250,890	<b>6,477,923</b>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational activities	195,938	4,477,175	4,673,113

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Educational activities	4,883,637	1,594,286	<b>6,477,923</b>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational activities	3,430,643	1,242,470	4,673,113

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>3,965,606</b>	2,864,510
Teaching and educational supplies	<b>92,993</b>	62,485
Agency staff	<b>226,284</b>	78,788
Staff development	<b>48,193</b>	27,452
Journey expenditure	<b>1,468</b>	1,365
Trip expenditure	<b>72,967</b>	71,769
Catering costs	<b>289,825</b>	213,438
Technology costs	<b>23,610</b>	9,593
Printing, postage and stationery	<b>27,331</b>	22,255
Professional fees	<b>112,805</b>	60,469
Other support costs	<b>22,555</b>	18,519
	<b><u>4,883,637</u></b>	<u>3,430,643</u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension expense	49,000	39,000
Staff costs	812,938	604,306
Depreciation	233,062	150,709
Teaching and educational supplies	10,187	8,704
Agency staff	4,212	2,709
Support staff costs	1,650	650
Recruitment	3,396	5,562
Premises maintenance costs	73,732	75,874
Rent and rates	35,268	33,430
Technology costs	67,100	80,591
Insurance costs	26,300	19,430
Heat and light costs	54,857	33,254
Printing, postage and stationery	2,796	2,262
Cleaning and caretaking costs	54,847	27,759
Professional fees	124,063	125,791
Other support costs	40,878	32,439
	<b>1,594,286</b>	<i>1,242,470</i>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Depreciation of tangible fixed assets	233,062	150,709
Fees paid to auditor for:		
- audit	10,250	9,750
- other services	8,725	3,150

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,642,481	2,630,597
Social security costs	258,300	193,608
Pension costs	838,551	644,611
	<u>4,739,332</u>	<u>3,468,816</u>
Agency staff costs	230,496	81,498
Restructuring costs	39,212	-
Pension expense	49,000	39,000
	<u><u>5,058,040</u></u>	<u><u>3,589,314</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	23,024	-
PILON	16,188	-
	<u><u>39,212</u></u>	<u><u>-</u></u>

**b. Staff numbers**

The average number of persons employed by the academy during the year was as follows:

	2019	2018
Teachers	50	41
Administration/ support	131	92
Management	10	8
	<u><u>191</u></u>	<u><u>141</u></u>

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:



**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs (continued)**

**c. Higher paid staff (continued)**

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	<b>1</b>	-
	<u><b>2</b></u>	<u><b>1</b></u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £743,686 (2018: £512,917).

**12. Central services**

The academy has provided the following central services to its academies during the year:

- Human Resources
- Financial services
- Legal services
- Educational support services
- Others as arising

The academy charges for these services on the following basis:

Costs split equally and based on the time the school was included in the MAT in the year.

The actual amounts charged during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Laurance Haines School	<b>110,853</b>	123,868
Beechfield School	<b>110,853</b>	54,302
Cherry Tree Primary School	<b>110,853</b>	62,136
<b>Total</b>	<u><b>332,559</b></u>	<u><b>240,306</b></u>

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
James Roach	Remuneration	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Jessie Bruce	Remuneration	65,000 - 70,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2019, expenses totalling £425 were reimbursed to 1 Trustee (2018 - £ NIL to no Trustee).

**14. Trustees' and Officers' insurance**

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018 (as previously stated)	17,799,130	78,307	60,740	17,938,177
Prior Year Adjustment	-	4,009	4,568	8,577
At 1 September 2018 (as restated)	17,799,130	82,316	65,308	17,946,754
Additions	198,649	669	26,714	226,032
At 31 August 2019	17,997,779	82,985	92,022	18,172,786
<b>Depreciation</b>				
At 1 September 2018 (as previously stated)	168,542	28,938	31,928	229,408
Prior Year Adjustment	-	4,009	4,568	8,577
At 1 September 2018 (as restated)	168,542	32,947	36,496	237,985
Charge for the year	202,456	12,363	18,243	233,062
At 31 August 2019	370,998	45,310	54,739	471,047
<b>Net book value</b>				
At 31 August 2019	17,626,781	37,675	37,283	17,701,739
At 31 August 2018 (as restated)	17,630,588	49,369	28,812	17,708,769

The academy trust's transactions relating to land and buildings included premises improvements totalling £198,649.

The prior year adjustment is to gross up the opening cost and accumulated depreciation. There has been no impact on the net book value of the assets or on the reserves of the trust.

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 September 2018	75
<b>At 31 August 2019</b>	<u>75</u>
<b>Net book value</b>	
<b>At 31 August 2019</b>	<u>75</u>
<i>At 31 August 2018</i>	<u>75</u>

**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	7,696	5,429
Other debtors	39,375	55,825
Prepayments and accrued income	140,519	299,780
	<u>187,590</u>	<u>361,034</u>

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	186,794	288,857
Other taxation and social security	65,466	67,852
Other creditors	85,337	79,590
Accruals and deferred income	163,059	163,751
	<u>500,656</u>	<u>600,050</u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Creditors: Amounts falling due within one year (continued)**

	2019 £	2018 £
	2019 £	2018 £
Deferred income at 1 September 2018	102,798	34,287
Resources deferred during the year	101,747	102,798
Amounts released from previous periods	(102,798)	(34,287)
	<u>101,747</u>	<u>102,798</u>

At the balance sheet date, the academy trust was holding grants received in advance for the autumn term 2019.

**19. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	1,103,242	1,099,232
Financial assets that are debt instruments measured at amortised cost	72,889	234,800
	<u>1,176,131</u>	<u>1,334,032</u>
	2019 £	2018 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(189,245)	(426,255)

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Self generated income	632,096	305,235	(227,033)	(7,183)	-	703,115
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,520,219	(4,519,828)	(391)	-	-
Pupil Premium	-	309,442	(309,442)	-	-	-
Other ESFA Grants	-	424,332	(424,332)	-	-	-
Other Government grants	-	535,765	(535,765)	-	-	-
Other income	-	32,461	(32,461)	-	-	-
Pension reserve	(1,694,000)	-	(196,000)	-	(958,000)	(2,848,000)
	<u>(1,694,000)</u>	<u>5,822,219</u>	<u>(6,017,828)</u>	<u>(391)</u>	<u>(958,000)</u>	<u>(2,848,000)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	17,708,769	-	(233,062)	226,032	-	17,701,739
Devolved Capital Grant	56,004	77,399	-	(53,289)	-	80,114
Unlisted investments	75	-	-	-	-	75
CIF funding	172,041	-	-	(165,169)	-	6,872
	<u>17,936,889</u>	<u>77,399</u>	<u>(233,062)</u>	<u>7,574</u>	<u>-</u>	<u>17,788,800</u>
<b>Total Restricted funds</b>	<u>16,242,889</u>	<u>5,899,618</u>	<u>(6,250,890)</u>	<u>7,183</u>	<u>(958,000)</u>	<u>14,940,800</u>
<b>Total funds</b>	<u>16,874,985</u>	<u>6,204,853</u>	<u>(6,477,923)</u>	<u>-</u>	<u>(958,000)</u>	<u>15,643,915</u>

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**20. Statement of funds (continued)**

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) fund relates to the Academy's operational activities.

The Fixed Asset fund includes funding received from the ESFA which are carried forward to be used to carry out works of a capital nature.

The Pension reserve relates to the Academy's share of the deficit of the Hertfordshire County Local Government Pension Scheme.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Laurance Haines Primary School	<b>178,984</b>	216,102
Beechfield School	<b>277,224</b>	258,565
Cherry Tree School	<b>246,907</b>	157,429
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>703,115</b>	632,096
Restricted fixed asset fund	<b>17,788,800</b>	17,936,889
Pension reserve	<b>(2,848,000)</b>	(1,694,000)
	<hr/>	<hr/>
<b>Total</b>	<b>15,643,915</b>	<b>16,874,985</b>
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**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Statement of funds (continued)**

**Total cost analysis by academy**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Laurance Haines Primary School	1,508,186	246,200	226,508	151,045	<b>2,131,939</b>
Beechfield School	1,235,783	216,330	197,208	162,005	<b>1,811,326</b>
Cherry Tree School	1,251,751	206,603	236,094	107,067	<b>1,801,515</b>
Inclusive Multi Academy Trust	196,170	197,018	31,937	74,956	<b>500,081</b>
<b>Academy</b>	<b>4,191,890</b>	<b>866,151</b>	<b>691,747</b>	<b>495,073</b>	<b>6,244,861</b>



**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>					
Self generated income	-	31,455	(31,455)	-	-
Reserves	171,090	639,995	(173,026)	(5,963)	632,096
	<u>171,090</u>	<u>671,450</u>	<u>(204,481)</u>	<u>(5,963)</u>	<u>632,096</u>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,297,945	(3,294,416)	(3,529)	-
Pupil Premium	-	241,927	(241,927)	-	-
Other ESFA Grants	-	234,244	(234,244)	-	-
Other Government grants	-	340,585	(340,585)	-	-
Other income	-	15,751	(15,751)	-	-
Pension reserve	(897,000)	(1,189,000)	(191,000)	583,000	(1,694,000)
	<u>(897,000)</u>	<u>2,941,452</u>	<u>(4,317,923)</u>	<u>579,471</u>	<u>(1,694,000)</u>
<b>Restricted fixed asset funds</b>					
Fixed assets	5,344,717	12,265,000	(128,259)	149,130	17,630,588
Other fixed assets	36,833	54,306	(22,450)	9,492	78,181
Devolved Capital Grant	13,838	42,166	-	-	56,004
Unlisted investments	25	50	-	-	75
CIF funding	-	321,171	-	(149,130)	172,041
	<u>5,395,413</u>	<u>12,682,693</u>	<u>(150,709)</u>	<u>9,492</u>	<u>17,936,889</u>
<b>Total Restricted funds</b>	<u>4,498,413</u>	<u>15,624,145</u>	<u>(4,468,632)</u>	<u>588,963</u>	<u>16,242,889</u>
<b>Total funds</b>	<u><u>4,669,503</u></u>	<u><u>16,295,595</u></u>	<u><u>(4,673,113)</u></u>	<u><u>583,000</u></u>	<u><u>16,874,985</u></u>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	17,701,739	<b>17,701,739</b>
Fixed asset investments	-	-	75	<b>75</b>
Current assets	703,115	500,656	86,986	<b>1,290,757</b>
Creditors due within one year	-	(500,656)	-	<b>(500,656)</b>
Provisions for liabilities and charges	-	(2,848,000)	-	<b>(2,848,000)</b>
<b>Total</b>	<b>703,115</b>	<b>(2,848,000)</b>	<b>17,788,800</b>	<b>15,643,915</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	17,708,769	17,708,769
Fixed asset investments	-	-	75	75
Current assets	632,096	600,050	228,045	1,460,191
Creditors due within one year	-	(600,050)	-	(600,050)
Provisions for liabilities and charges	-	(1,694,000)	-	(1,694,000)
<b>Total</b>	<b>632,096</b>	<b>(1,694,000)</b>	<b>17,936,889</b>	<b>16,874,985</b>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per statement of financial activities)	(273,070)	11,622,482
<b>Adjustments for:</b>		
Depreciation	233,062	150,709
Capital grants from DfE and other capital income	(77,399)	-
Interest receivable	(676)	(277)
Defined benefit pension scheme cost less contributions payable	196,000	-
Decrease/(increase) in debtors	173,444	(242,181)
(Decrease)/increase in creditors	(99,394)	421,039
Capital grants from DfE and other capital income	-	(363,338)
Defined benefit pension scheme obligation inherited	-	1,189,000
Defined benefit pension scheme cost less contributions payable	-	191,000
Net liabilities from local authority on conversion	-	(12,319,355)
Funds inherited on conversion	-	(415,490)
<b>Net cash provided by operating activities</b>	<b>151,967</b>	<b>233,589</b>

**23. Cash flows from investing activities**

	2019 £	2018 £
Purchase of tangible fixed assets	(226,032)	(158,624)
Capital grants from DfE Group	77,399	363,338
Interest Received	676	277
Funds on conversion	-	415,490
<b>Net cash (used in)/provided by investing activities</b>	<b>(147,957)</b>	<b>620,481</b>

**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,103,167	1,099,157
<b>Total cash and cash equivalents</b>	<b>1,103,167</b>	<b>1,099,157</b>

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £81,697 were payable to the schemes at 31 August 2019 (2018 - £76,338) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.8% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million

The new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £325,566 (2018 - £237,808).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £458,000 (2018 - £321,000), of which employer's contributions totalled £372,000 (2018 - £259,000) and employees' contributions totalled £ 86,000 (2018 - £62,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5%- 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>2.40</b>	2.40
Rate of increase for pensions in payment/inflation	<b>2.30</b>	2.30
Discount rate for scheme liabilities	<b>1.90</b>	2.80

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.5</b>	22.5
Females	<b>23.7</b>	24.9
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	24.1
Females	<b>25.0</b>	26.7

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>(180)</b>	-
CPI rate +0.1%	<b>151</b>	-
Salary increase rate +0.1%	<b>25</b>	-

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Pension commitments (continued)**

The academy's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,705,000	1,471,000
Corporate bonds	1,357,000	972,000
Property	278,000	222,000
Cash and other liquid assets	140,000	111,000
<b>Total market value of assets</b>	<b>3,480,000</b>	<b>2,776,000</b>

The actual return on scheme assets was £256,000 (2018 - £150,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(513,000)	(411,000)
Past service cost	(6,000)	-
Interest income	84,000	46,000
Interest cost	(133,000)	(85,000)
Employer contributions	372,000	259,000
<b>Total amount recognised in the Statement of financial activities</b>	<b>(196,000)</b>	<b>(191,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>4,460,000</b>	<b>1,851,000</b>
Conversion of academy trusts	-	2,543,000
Current service cost	513,000	411,000
Interest cost	133,000	85,000
Employee contributions	86,000	62,000
Actuarial losses/(gains)	1,391,000	(492,000)
Past service costs	6,000	-
Change in financial assumptions	(261,000)	-
<b>At 31 August</b>	<b>6,328,000</b>	<b>4,460,000</b>

**INCLUSIVE MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Pension commitments (continued)**

Changes in the fair value of the academy's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>2,766,000</b>	954,000
Conversion of academy trusts	-	1,354,000
Interest income	84,000	46,000
Actuarial gains	433,000	91,000
Employer contributions	372,000	259,000
Employee contributions	86,000	62,000
Change in financial assumptions	(261,000)	-
<b>At 31 August</b>	<b>3,480,000</b>	2,766,000

**26. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	8,186	7,625
Between 1 and 5 years	13,454	18,844
	<b>21,640</b>	26,469

**27. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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**INCLUSIVE MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**28. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, the academy paid £90 (2018: £nil) to Hertfordshire Association of School Business Management, an organisation in which the Chief Operating Officer is a member of the management committee, for membership. At the year end £nil (2018: £nil) was due to Hertfordshire Association of School Business Management.

During the year, the academy paid £1,880 to Muriel Green Nursery School, an entity in which R Blackstaff, previously a Trustee, is a Governor. At the year end £nil (2018: £nil) was due to Muriel Green Nursery School.

Trustees remuneration and expenses have been disclosed in note 13.